

ROLL-FORWARD REPORTING

Property, Plant and Equipment
and
Inventories and Related Property

FY 2006 Financial Statement and
Year-end Closing Workshop

June 14, 2006

ROLL-FORWARD REPORTING

Reporting Requirements

- **Fiscal 2005 and 2006, Treasury Closing Package.**
- **Agencies required to prepare roll-forward reconciliation schedules for PP&E and Inventories and Related Property.**
- **Roll-forward schedule beginning and ending balances must agree with the respective balances for the total of the Inventories and Related Property and PP&E reported by category of inventory and PP&E and on the balance sheet.**

ROLL-FORWARD REPORTING

Fiscal 2005 Reporting

Inventories and Related Property

- Prepared roll-forward schedule at the Department-level.
- Ending balance \$192 million higher than ending balance for the categories of Inventories and Related Property reported on the Balance Sheet.
- Difference likely due to not being able to get a breakdown of SGL 6500, Cost of Goods Sold, and SGL 6710, Depreciation, Amortization, and Depletion, attributable to only Inventories.

ROLL-FORWARD REPORTING

Fiscal 2005 Reporting (cont.)

Property Plant and Equipment

- Prepared roll-forward schedule at the Department-level.
- Ending balance \$17 million higher than ending balance for the categories of PP&E.
- Difference likely due to not being able to get a breakdown of SGL 6710 attributable to only PP&E. Also, need to limit SGL 680001 to program values for legacy waste only.
- Another possible explanation may be not selecting all the correct SGL accounts.

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Fiscal 2006 Reporting

Property, Plant and Equipment

- **Field offices required to prepare roll-forward schedule.**
- **Headquarters developing a prototype STARS PP&E roll-forward report by select entities, including integrated contractors, and a second report by allottees.**
- **Some elements of the report may not be accurate because of items previously mentioned; however, PP&E balance for beginning of year is correct.**

ROLL-FORWARD REPORTING

Fiscal 2006 Reporting (cont.)

- **Field offices must use the STARS report as the basis for their roll-forward schedule, but likely will need to make adjustments to reflect all transactions impacting the PP&E asset and depreciation/amortization accounts.**
- **Field offices must use the template in the year-end guidance memo for PP&E roll-forward reconciliation schedule.**
- **Line on schedule for Deletions from Balance Sheet, PP&E and Accumulated Depreciation, must net to -0-.**

ROLL-FORWARD REPORTING

Fiscal 2006 Reporting (cont.)

- **Need to consider any unusual items for Financing Sources Transferred and Adjustments lines.**
- **The depreciation expense line must include any amortization for leasehold improvements and internal use software, which may be part of SGL 671009, Amortization and Depletion.**
- **The Financial Statement Project Team will modify the STARS PP&E roll-forward report based on FO roll-forward schedules for 2006.**

ROLL-FORWARD REPORTING

PP&E Roll-forward Reconciliation Schedule

PP&E Balance Beginning of Year

Prior Period Adjustments not restated (reverse acct. balance signs)

740101- Prior Period Adjustments , Not Restated, PP&E

Capitalized Acquisitions (Federal and Non-Federal)

880201- Purchases of Capitalized PP&E

Deletions from the Balance Sheet

ROLL-FORWARD REPORTING

PP&E Roll-forward Reconciliation Schedule (cont.)

Financing Sources Transferred (reverse account balance signs)

561003- Donated Revenue, NonFinancial Resources

572001- Trans In W/Out Reimb, Non-Budg, PP&E DOE

572002- Trans In W/Out Reimb, Non-Budg, PP&E NonDOE

5720A2- Trans In W/Out Reimb, Non-Budg, Interoffice PP&E

5720A4- Trans In W/Out Reimb, Non-Budg, Intraoffice PP&E

573001- Trans Out W/Out Reimb, Non-Budg, PP&E DOE

573002- Trans Out W/Out Reimb, Non-Budg, PP&E NonDOE

5730A2- Trans Out W/Out Reimb, Non-Budg, Interoffice

5730A4- Trans Out W/Out Reimb, Non-Budg, Intraoffice

Total Financing Sources Transferred

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PP&E Roll-forward Reconciliation Schedule (cont.)

Other Expenses (reverse account balance signs)

679001- Other Exp Not Req Budg Resources-Reval of Assets

679005- Other Exp Not Req Budg Resources-Cap Adj

680001- Future Funded Exp Fin Sources Fund Costs of P/P

[Program values 2220156 & 2220157 only]

Total Other Expenses

Depreciation Expense for PP&E (reverse account balance signs)

671000- Depreciation, Amortization and Depletion

671001- Depreciation

Total Depreciation Expense

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PP&E Roll-forward Reconciliation Schedule (cont.)

Adjustments (reverse account balance signs)

719001- Other Gains PP&E

729001- Other Losses PP&E

730001- Extraordinary Items-PP&E

730002- Extraordinary Items-PP&E

740001- Prior Period Adjustments Restated, PP&E

Total Adjustments

PP&E Balance End of Year

Ending General Ledger Balance for PP&E Accounts

Tiepoint Difference

ROLL-FORWARD REPORTING

Fiscal 2006 Reporting (cont.)

Inventories and Related Property

- **SPRO and NNSA need to prepare roll-forward schedules for oil and nuclear materials, respectively, using the template in the year-end guidance memo. Contact Greg Dulovich about the inventory balance beginning of year.**
- **No STARS Inventory roll-forward report developed.**

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Fiscal 2006 Reporting (cont.)

- Capitalized acquisition—need to include both Federal and non-Federal acquisitions.
- Need to consider any unusual items for Financing Sources Transferred and Adjustments lines.

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Fiscal 2006 Reporting (cont.)

- **The inventory sold or used line may not be complete. There may be other components of the SGL 6500 to be included.**
- **The depreciation expense line must include only the allowance expense attributable to the respective inventory categories; which may be part of SGL 671009, or another 67XXXX account.**
- **Consideration will be given to developing a STARS report for inventories for Fiscal 2007.**

ROLL-FORWARD REPORTING

Inventory Roll-forward Reconciliation Schedule

Inventory Balance Beginning of Year

Prior Period Adjustments not restated (reverse acct balance sign)

740102- Prior Period Adjustments Not Restated-Inventory

Capitalized Acquisitions (Federal and Non-Federal)

880202- Purchases of Capitalized Inventories

880203- Purchases of Funded Inventory

Total Capitalized Acquisitions

ROLL-FORWARD REPORTING

Inventory Roll-forward Reconciliation Schedule (cont.)

Financing Sources Transferred (reverse account balance signs)

572008- Trans in w/out Reimb., Non Budg-All Other DOE

572009- Trans in w/out Reimb., Non Budg-All Other NonDOE

5720A1- Trans in w/out Reimb., Non Budg-Interoffice Inventory

5720A9- Trans in w/out Reimb., Non Budg-All Other

5720B6- Trans in w/out Reimb., Budg-Interoffice

573008- Trans out w/out Reimb., Non Budg-All other DOE

573009- Trans out w/out Reimb., Non Budg-All other NonDOE

5730A1- Trans out w/out Reimb., Non Budg-Interoffice inventory

5730A9- Trans out w/out Reimb., Non Budg-All Other

5730B6- Trans out w/out Reimb., Budg-Interoffice

Total Financing Sources Transferred

ROLL-FORWARD REPORTING

Inventory Roll-forward Reconciliation Schedule (cont.)

Inventory Sold or Used (reverse acct balance signs)

6500U0- Cost of Goods Sold Non Budget

679002- Oth Exp Not Req Budg Resources- Nuclear Materials Costs

Total Inventory Sold or Used

Amortization and Depletion Expense (reverse acct balance signs)

671009- Amortization and Depletion

ROLL-FORWARD REPORTING

Inventory Roll-forward Reconciliation Schedule (cont.)

Adjustments (reverse account balance signs)

719002- Other Gains-Inventory

729002- Other Losses-Inventory

740002- Prior Period Adjustments Restated, Inventory

Total Adjustments

Inventory Balance End of Year

Ending General Ledger Balance for Inventory Accounts

Tiepoint Difference

ROLL-FORWARD REPORTING

- The Financial Statement Project Team will develop guidance, to include specific SGLs to be used for transactions affecting the roll-forward schedule. Guidance will be effective beginning fiscal 2007.

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